BRITISH COLUMBIA

Performance Plan 2001/02 - 2003/04

Ministry of Forests

April 2001

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INTRODUCTION

This is the second annual performance plan prepared by the Ministry of Forests for presentation to the B.C. Legislature under the *Budget Transparency and Accountability Act.* This plan outlines the results the ministry expects to achieve in the three-year period from 2001/02 through 2003/04 with the funds voted to it by the Legislature – thereby providing an accountable basis for judging the ministry's performance.

The performance plan also provides a strategic context that guides the ministry's current activities. Looking to the future, we continue to refine our strategic objectives, the linkages to our business areas, and the performance measures by which the Legislature and the public will be able to track our progress over time.

Together with the performance plan of the Ministry of Environment, Lands and Parks – the ministry that is accountable for overall protection and conservation of the province's natural resources – the Ministry of Forests' performance plan spells out the key strategies through which B.C. will continue to ensure the sustainable management of its forest and range resources.

This performance plan is divided into five main sections:

- *Strategic Context* explains the ministry's mission, values, ethics, business and operating principles and vision, and its operating environment.
- *Goals, Objectives and Strategies* sets out the ministry's broad direction over time.
- *Business-Area Performance for 2001/02* outlines the ministry's key activity areas related to its goals and strategies. This section includes corporate performance measures and targets.
- *Links with the Government's Strategic Plan* shows how the ministry's business areas will support the achievement of the government's strategic priorities.
- *Fiscal Plan* outlines the revenue expectations and expenditure plans for the fiscal year 2001/02.

The plan also includes appendices that provide details about the legislation administered by the Ministry of Forests and the ministry's organizational structure.

STRATEGIC CONTEXT

Mission

The primary mission of the Ministry of Forests is to:

> *Manage and conserve the province's forest and range resources in a manner that balances economic, ecological and social benefits for all British Columbians.*

Since its establishment in 1912 as the Forests Branch, the ministry (which is also known as the B.C. Forest Service) has been the main agency responsible for stewardship of the province's rich and diverse forest resources. It is the only agency charged with defining and achieving *a balance* between the economic and social needs of British Columbians, and the need to maintain the environmental integrity of forest and range lands in perpetuity. The challenges of fulfilling this balance-oriented mandate seem to increase in number and complexity every year. In response to these growing and evolving challenges, the Ministry of Forests continues to improve its knowledge base and planning capacity to ensure sound stewardship of the province's forest and range resources.

Values, Ethics and Principles

In carrying out the ministry's mission and day-to-day activities, the people of the Ministry of Forests are guided by ethics and principles that are rooted in the following core values of the organization.

Values

The Ministry of Forests protects the public's interest in its forest and range lands through a commitment to:

- trust,
- fairness,
- truthfulness,
- responsibility,
- accountability, and
- respect for the land.

Ethics

The Ministry of Forests is guided by the ethics of:

Sustainable Use: Our sustainable use ethic is to manage forest development to meet the current needs of British Columbians without prejudice to the needs of future generations.

Stewardship: Our stewardship ethic is to care for the health and sustain the beauty and natural functioning of the province's ecosystems by managing forests and range lands to maintain natural diversity across the landscape.

Service: Our public service ethic is to provide a continuous flow of benefits from forest and range lands for the physical, cultural and spiritual well-being of British Columbians.

Principles

In our sustainable use and stewardship roles, we apply the following principles to the delivery of our mandate:

- We seek solutions through collaboration with a diversity of interests.
- We seek to build and maintain strong governmental, industrial and environmental partnerships.
- We strive to be open and adaptive to new ideas and science.

In our service role, the Ministry of Forests is guided by the following four organizational principles in our operating methods and interactions with our clients:

- We exercise initiative and pursue excellence.
- We are truthful and strive to be balanced in fulfilling our public trust.
- We recognize that strong partnerships, both within the organization and with others, are fundamental to our success.
- We treat people fairly and respectfully.

Vision and Goals

The preceding mission, values, ethics and principles talk about who we are now, and guide how we go about our business today. Our vision and goals speak to the future.

Vision

> *The British Columbia Forest Service is universally recognized as a leader in the sustainable management of forests and range lands.*

Sustainability is fundamental to people's social, cultural, spiritual and economic well-being, and it has become a central goal of government agencies that are responsible for the stewardship of natural resources at the global, national and local levels. The Forest Service is committed to the sustainable management of the province's forest and range resources, and to continual improvement of its own management practices.

There are widespread misconceptions about what is happening in B.C.'s forests. In fact, less than half of the 49 million hectares of productive forest land in the province is currently managed for timber harvesting – some 23 million hectares. Of that current timber harvesting land base, less than 1 per cent is accessed for timber removal each year. By law, every square metre of that area will be restocked with indigenous commercial tree species, either through natural regeneration or planting. And on all of those lands, resource values such as wildlife and soil and water quality are sustained. Unlike jurisdictions that practise plantation forestry, B.C. strives to manage forest lands to maintain natural attributes over the landscape and over time.

We continue to improve our knowledge and understanding of all resource values and of how ecosystems work, so that we can continue to improve our planning and management regimes. Our vision is to be at the forefront of the application of new knowledge to sustainable forest management, and to be recognized for our excellence in forest and range stewardship. Our pursuit of this vision will help B.C. maintain access to lumber markets around the world, maintain the standard of living of its people, and sustain the health of its forests and range lands.

Goals

To realize its vision, the Ministry of Forests has established four strategic goals, which will provide overall direction to our activities. They are:

- to have healthy forests,
- to have a strong forest economy,
- to have all British Columbians benefit from the sustainable use of their forests, and
- to be an effective sustainable forest manager.

The objectives and strategies by which we will achieve these goals are described in the "Goals, Objectives and Strategies" section that begins on page 15.

ENVIRONMENTAL SCAN

The global environment within which the provincial economy and the B.C. forest sector operate is undergoing fundamental change on a rapid basis. Three key trends having a profound effect are:

- globalization,
- sustainability, and
- technological change.

Globalization

Globalization is making the global economy smaller and more integrated. This trend has important implications for how B.C., the provincial forest sector, and all British Columbians will do business in the future.

Generally, provided that markets are accessible, globalization carries with it trade and economic opportunities. It also demands:

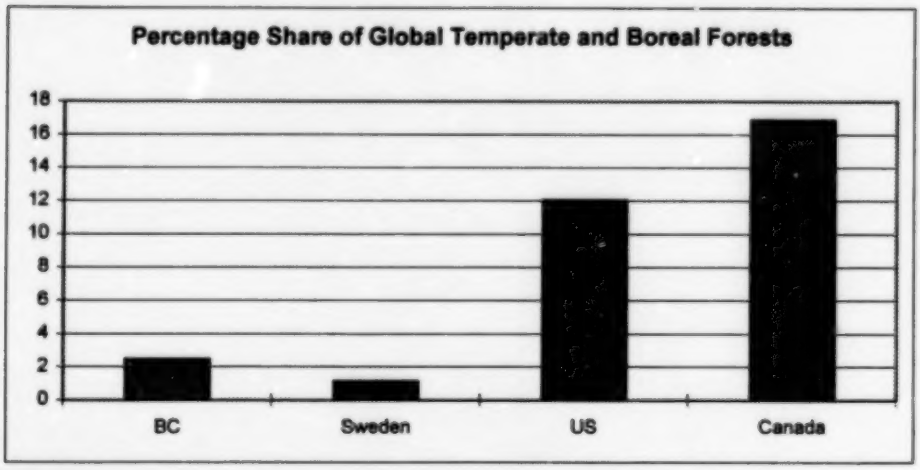
- **competitiveness** on the part of industry. Globalization carries with it not only the promise of new markets, but also new products and competitors, more demanding customers, and the need to keep costs low,
- **transparency and accountability** on the part of government. Globalization means that all policies, programs and regulations are under constant scrutiny by a world audience, and
- **an ability to change and adapt quickly** on the part of everyone – industry, government, communities and the public.

The changes inherent in globalization also demand that government and industry be sensitive to the effects on communities and individuals, and that adequate transition strategies are in place to deal with change. While markets appear to be pushing us toward global companies with large resources, British Columbians are indicating that they want smaller, local enterprises and increased local decision-making and control.

Sustainability

Another global trend affecting the B.C. forest sector is sustainability. Increasingly, B.C.'s major markets perceive the province's remaining forest "wilderness" as a global resource, as opposed to a feature of a particular jurisdiction. The demand for sustainable resource management and excellence in forest stewardship is quickly becoming a requirement for market access. Certification, demands for preservation, and product boycotts are all part of this trend.

In terms of world forest resources, it is estimated that B.C. is the site of nearly 3 per cent of the world's and 14 per cent of Canada's temperate and boreal forested land area. Canada has also been identified as the site of 25 per cent of the world's remaining forest frontiers (i.e., large, ecologically intact and relatively undisturbed natural forest), and B.C. has been identified as one of the world's last sites of natural temperate rainforest. An estimated 10.6 million hectares of the world's remaining 30 to 40 million hectares of Coastal temperate rainforest is found in B.C.



Sources:

- B.C.: National Forestry Database, Compendium of Canadian Forestry Statistics
- Canada, Sweden and the U.S.: UN/ECE Timber Database
- Global total: UN/ECE/FAO Forest Resources Assessment

Given the unique nature of B.C.'s forest resource, environmental scrutiny will be an ongoing fact of life for the province. The challenge is to continue to create economic opportunities from the provincial forest resource holdings, while managing the resource in a manner that is globally responsible and sustainable, both in fact and perception. In other words, the province must demonstrate exemplary forest stewardship.

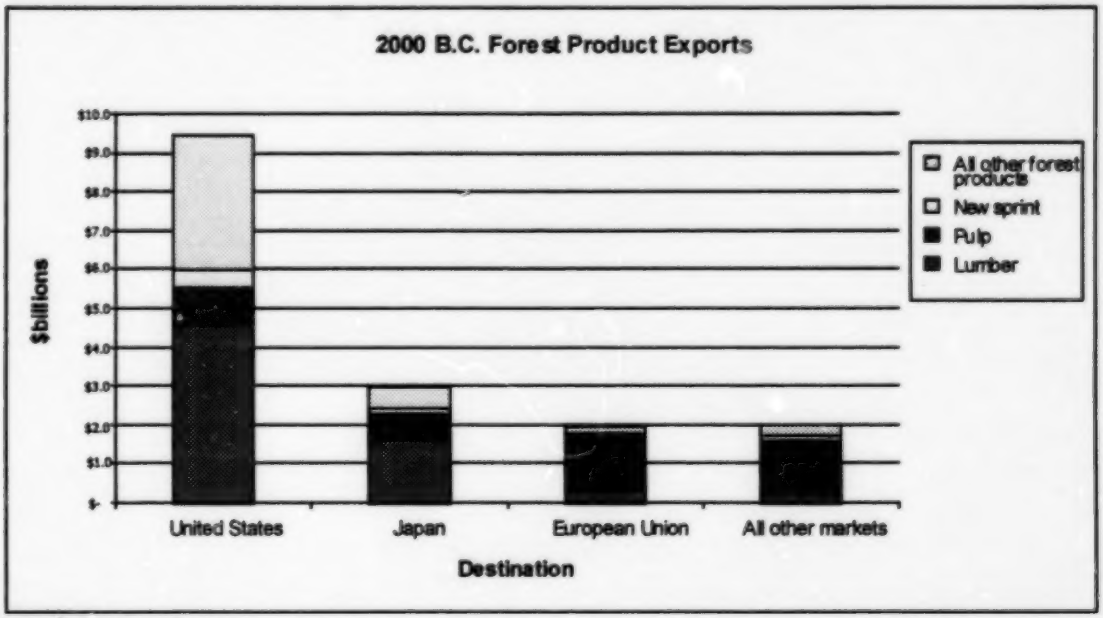
Technological Change

The final global trend that will have a major impact on the provincial government and the provincial forest sector is technological change. Technology has profoundly altered how people and companies do business, and the process of change is continuing. Business-to-government and public-government relationships are beginning to undergo a similar transformation. Shifts in technology have tremendous potential for creating efficiencies, reducing costs, improving information flows and increasing accountability. However, the pace of change and the up-front capital costs involved are difficult for traditional government institutions to deal with.

Globalization, sustainability and technological change create both challenges and opportunities for the provincial forest sector. To thrive amid such change, market access is a critical requirement.

Market Access Issues

The B.C. forest sector exports the vast majority of its production. In 2000, international forest product exports from B.C. totalled $16.3 billion and accounted for 50 per cent of total provincial exports. The dominant export market is the United States, followed by Japan and the European Union. The major export products are lumber, followed by pulp and newsprint.



Source: Statistics Canada

A critical market access issue is the U.S. countervailing duty and anti-dumping actions against softwood lumber.

On April 2, 2001, the Coalition for Fair Lumber Imports, representing the U.S. lumber industry, filed a petition with the U.S. Department of Commerce, requesting countervailing duty and anti-dumping investigations. The department has since initiated formal investigations.

In the petition, the coalition calculated a countervailing duty subsidy rate of about 40 per cent and an anti-dumping rate of about 30 per cent. For B.C., the countervailing duty

portion of the petition alleges that the current stumpage system and log export controls provide subsidies to lumber producers. Some Forest Renewal BC programs, the work of the Job Protection Commission, and provincial support for Skeena Cellulose Inc. will also be investigated as possible subsidy sources. The anti-dumping section alleges that B.C. lumber producers sell their products below cost in the U.S.

U.S. trade actions are long and arduous processes involving rigid time lines. To impose a countervailing duty or tariff, the U.S. must establish that softwood lumber is subsidized and that the U.S. industry has been injured. To impose and anti-dumping duty, the U.S. must show that importers are selling Canadian lumber in the U.S. at prices lower than those in Canada, or at prices below costs.

B.C. will vigorously defend itself against the U.S. allegations, as it has done successfully in three previous countervailing duty actions (although that is of course no guarantee of success in the current situation). B.C. takes the position that it neither subsidizes softwood lumber nor dumps it into the U.S. market.

Another market concern is changing Japanese demand for B.C. Coastal hemlock. A number of longer-term structural changes are underway in Japanese forest product markets. These trends include:

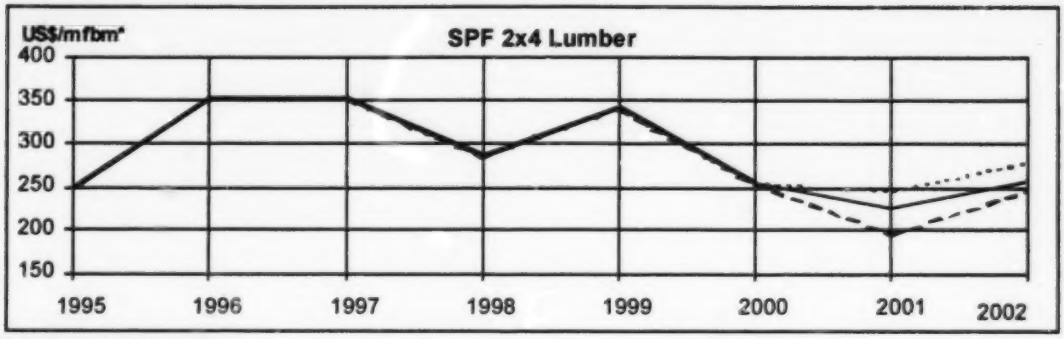
- decreasing demand for green lumber used in traditional Japanese post-and-beam housing construction, in favour of kiln-dried products (B.C. has typically shipped green product),
- a decline in the share of wood-based housing starts, and
- increasing competition from other producing regions, including Scandinavia and the rest of Canada.

Market Outlooks

Forest product prices are expected to strengthen somewhat this year.

Spruce pine fir (SPF) lumber prices have improved somewhat in recent months, but remain near historically low levels. Western SPF prices are forecast to average US$229 per cubic metre ($m^3$) in 2001 and US$257m^3 in 2002. Given U.S. trade actions, and a general softening of the world economy, forecasting lumber prices is particularly difficult at this point in time.

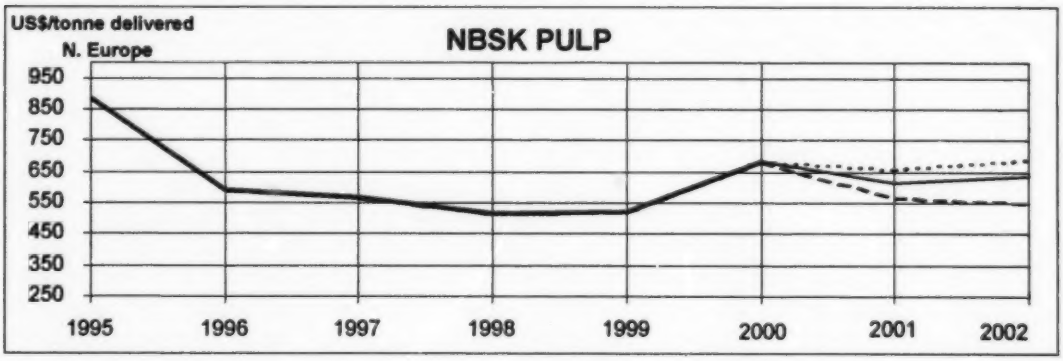
SPF 2x4 Lumber: High, Low and Consensus Price Forecast



*mfbm=thousand board feet

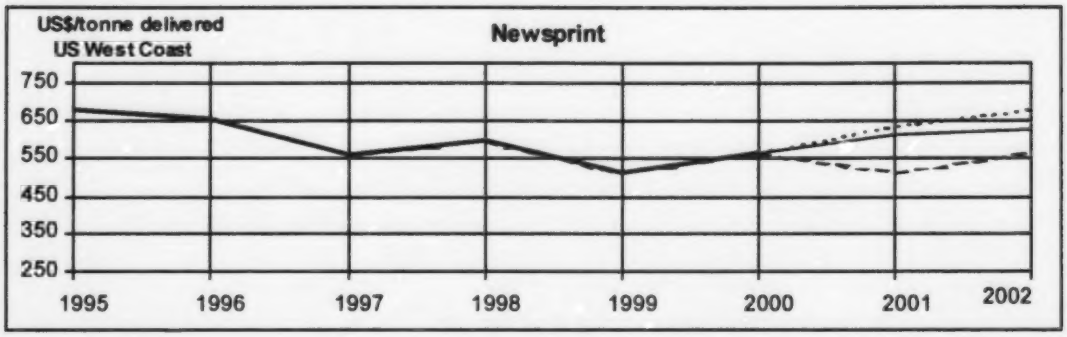
After experiencing steady gains throughout 2000, northern bleached softwood kraft (NBSK) pulp prices weakened in the first quarter of 2001. NBSK pulp prices are forecast to recover somewhat in the second half of 2001, to an average of US$619/tonne in 2001 and US$635/tonne in 2002.

NBSK Pulp: High, Low and Consensus Price Forecast



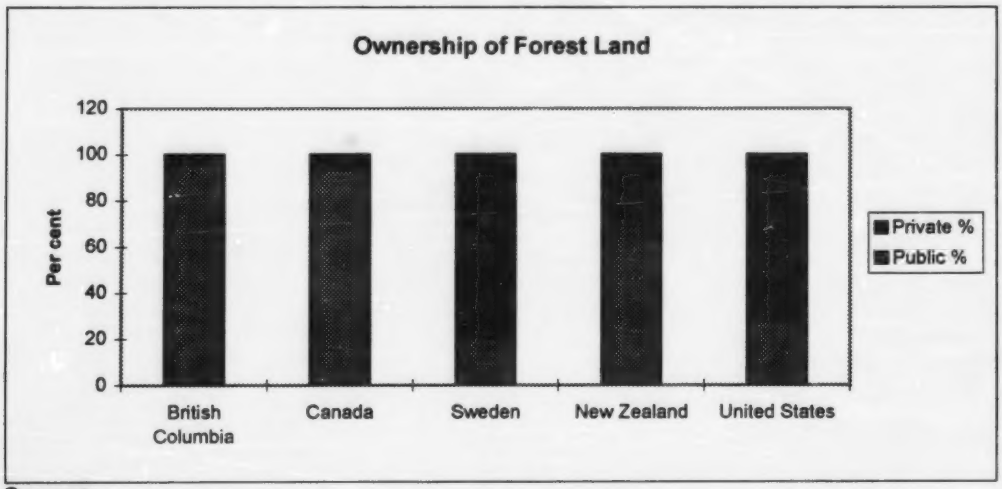
The U.S. West Coast is the primary market for newsprint produced in B.C. Newsprint prices are forecast to average US$625/tonne in 2001 and US$632/tonne in 2002.

Newsprint: High, Low and Consensus Price Forecast



The Performance Plan Perspective

The Ministry of Forests' performance plan adopts a global perspective, cognizant of the powerful global forces that are currently shaping the provincial forest sector, and the unique interrelationship among government, industry and stakeholders created by the public ownership of most of the forest lands in B.C. The tradition and extent of government involvement in the forest sector can, in part, be explained by this fact.

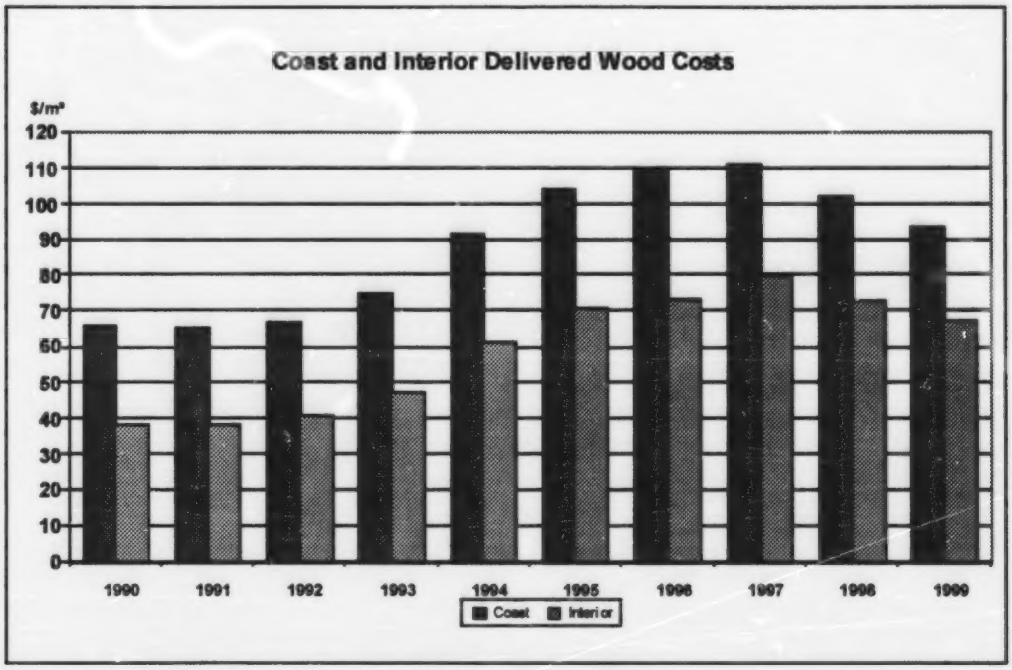


Sources:

- B.C. and Canada: National Forestry Database, Compendium of Canadian Forestry Statistics
- Sweden and New Zealand: Unpublished report: "A Review of Forest Practices Legislation, Regulation and Guidelines in Selected International Jurisdictions," Gary Bull and Associates.
- U.S.: UN/ECE Timber Database.

The province needs a forest policy framework that can accommodate global trends, facilitate international market access and provide the basis for demonstrating exemplary sustainable forest management.

Costs are a key determinant of success in cyclical, competitive markets for price-taking organizations. Government and industry began to make significant cost reductions beginning in 1998.



The preceding graph, which is based on PricewaterhouseCoopers data, shows a significant decline in wood costs in 1998 and 1999. However, cost levels remain high compared with the early 1990s.

The ministry can expect ongoing pressure to reduce costs or to keep them as low as possible. Simultaneously, environmental standards will have to be maintained or increased.

From an industry standpoint, part of the solution to higher costs likely lies in the development of new products of higher value. Both the ministry and industry will need innovative options and new solutions for how they do business.

For government, innovative approaches likely include using market incentives rather than relying on regulatory and legislative controls to accomplish objectives. Future solutions to forest-sector issues will probably involve less rather than more government involvement in business decision-making, and the policies, processes and requirements that are in place will be more transparent and streamlined.

New players may also be involved. One group that will take on a larger role in the forest sector over time is First Nations. As treaties are resolved, First Nations will be the new stewards of part of the forest land base.

Summary

The B.C. forest sector will continue to face the challenges associated with rapid change. The forest sector needs to be outward-looking, globally competitive, environmentally responsible, and locally accountable. The Ministry of Forests' task will be to ensure that an appropriate policy, regulatory and legislative framework is in place to support those objectives.

GOALS, OBJECTIVES AND STRATEGIES

The Ministry of Forests has four long-term goals that are derived both from its mandate, as expressed in legislation and policies, and from broader provincial forest policy objectives.

1. Healthy Forests

The B.C. public has a right to expect that the use of our forest resources to generate economic and social benefits today will not come at the expense of the long-term health of forest ecosystems. Healthy forests:

- have genetic and species diversity and productive ecosystems,
- maintain soil quantity and quality,
- conserve fresh water,
- are effective recyclers of carbon, nitrogen and oxygen, and,
- have a regulating effect on climate, including temperature and rainfall.

Maintaining healthy forests requires the conservation and wise management of our forest and range resources. Since this is beyond the ability of any one ministry to achieve on its own, it requires the cooperation and participation of all forest-resource users, other government agencies, and the public. To play its part in achieving this goal, the ministry will focus on three key objectives:

1.1 Conserve and restore the biodiversity of forests and grassland ecosystems,

1.2 Ensure that forest and range management maintains water quality and quantity, and,

1.3 Ensure that forest and range management maintains soil quality and quantity.

The ministry will pursue the following strategies over the next three years in order to achieve these three objectives:

- Continue to improve the effectiveness of the current forest and range practices and the regulatory regime, including compliance and enforcement initiatives, by implementing performance-based regulation pilots and by evaluating their results for potential use province-wide.
- Improve our understanding of the effectiveness of forest practices regulation by increasing monitoring of forest condition and by undertaking evaluation studies on specific aspects of the Forest Practices Code.
- Accelerate the establishment of landscape-unit objectives and the implementation of two key mechanisms in the Forest Practices Code for protecting biodiversity: old-growth management areas, and wildlife tree patches.

- Continue to support strategic land-use planning processes, such as Land and Resource Management Plans, which address environmental, social and economic priorities on the forest land base.
- Establish sustainable levels of timber and range use to ensure that the amount of timber and forage consumed is consistent with maintaining healthy forests and range lands.
- Apply new knowledge and information to forest and range management practices and decisions, through targeted research and inventory activities.

2. A Strong Forest Economy

Nearly 190,000 people work directly or indirectly in B.C.'s forest sector. Of the province's 63 regional economic areas, 41 per cent rely on forestry as their principal source of income. Forestry remains a very significant contributor to the province's current overall economic health and will continue to do so in future. Our forests and range lands also provide important economic opportunities for industries such as tourism and ranching.

The Ministry of Forests has an important role to play in ensuring that B.C. maintains a strong forest economy. Such a forest economy, which demonstrates strength and resilience into the future, will:

- export a broad range of forest products to buyers in many countries,
- have a competitive, innovative and vigorous forest industry that is internationally recognized for sustainable forest management,
- have a diversity of firms in terms of size and products,
- have a good distribution of commercial activity across the province,
- have a modern, reliable economic infrastructure, and
- rely on healthy forests and sustainable use of a high-quality timber resource.

In concert with the private sector and other provincial agencies, the ministry will pursue five objectives (under associated three-year strategies) to help achieve this goal.

2.1 Maintain access to export markets for B.C. forest products

The strategies being implemented to maintain the health of our forests are critical to ensuring the sustainable use of our forest resources. To maintain access to export markets in the face of ongoing campaigns targeting our forest products, it is equally important that the province and B.C. forest companies are clearly understood to be sustainable forest managers. In addition, trade disputes with our most important forest products customers have the potential to severely affect our export performance in future. To address these issues, the ministry will pursue strategies to:

- support certification (e.g., Canadian Standards Association, International Standards Organization, Forest Stewardship Council and other processes) of forest

management activities for the forest industry and the ministry itself (e.g., Small Business Forest Enterprise Program). This includes piloting various certification systems on Crown forest lands and contributing to the development of certification standards,

- promote achievements in sustainable forest management by the province and forest companies by implementing state-of-the-forests reporting based on criteria and indicators developed for use across Canada, and by conducting an international marketing campaign, and
- vigorously pursue unfettered market access for B.C. softwood lumber through the removal of trade barriers. The ministry will work with the federal government, other provinces and industry to resolve softwood lumber issues with the U.S.

2.2 Maintain diversity in the forest sector

It has long been a tenet of B.C. forest policy that a successful, innovative and competitive forest sector requires access to Crown timber for a diversity of operators across the province, both in terms of their size and the products they produce. To help achieve this objective, the ministry will continue to pursue the following strategies:

- provide harvesting opportunities for a wide variety of independent forest enterprises (which do not hold long-term tenure rights) through the Small Business Forest Enterprise Program,
- provide tenure opportunities for community forests and woodlots under guidelines that encourage innovation in forest management, and
- evaluate the potential impact of major license transfers on the competitiveness of local timber and forestry contracting markets.

2.3 Provide opportunities to generate wealth from forest and range resources

The province maintains a comprehensive system of tenures and licensing to allocate opportunities for individual firms and others to generate wealth from our forest and range resources. To ensure that the tenure system continues to contribute to a strong forest economy, the ministry will:

- ensure the full allowable annual cut (AAC) is under tenure and available for timber harvest,
- sell all available Small Business Forest Enterprise Program timber volume annually,
- ensure that all authorized animal unit months of forage are under tenure and available for range use, and
- continue to evaluate the tenure system to ensure that harvesting and range approval processes operate efficiently and effectively.

2.4 Provide a reliable and safe forest road network

The province's forest road infrastructure is vital for access timber, range, recreation and other resource values in B.C. The challenge for the ministry, with highly constrained resources, lies in maintaining a reliable, safe network that minimizes negative effects on the environment. To achieve this objective, the ministry will implement strategies to:

- identify critical road access that will remain open and be maintained,
- close or restrict access to low-priority roads if funding is not available to maintain them to the standards of the Forest Practices Code, and
- replace bridges on the basis of their priority for timber harvesting and other access, and either close or post for less-than-full-load capacity, those bridges that can not be replaced immediately.

2.5 Maintain and improve the quality and quantity of provincial forest and range resources

Since the province entered its rapid development phase in the late 1800s, the forest and beef industries in B.C. have depended on the abundance of high-quality timber and forage available from Crown lands. Maintenance of these resources remains a cornerstone for future prosperity in the forest and ranching sectors. To help ensure that our forest and range resources will continue to contribute to a strong forest economy, the ministry will carry out strategies to:

- prevent and suppress wildfire to protect our natural resource inventories and investments in the forest land base. Without protection, some 500,000 hectares of productive forest and range land would be lost annually,
- manage insect pest outbreaks and encroachment by invasive alien plant species (including noxious weeds).The surveying of Crown forests and range lands to locate and assess insect infestations and the treatment of high-priority areas will continue . In particular, the ministry will treat bark beetle infestations to reduce the spread of the current mountain pine beetle epidemic in the north and central Interior. The ministry will also continue to treat high-priority range lands to reduce loss of forage for cattle and wildlife because of invasive alien plant species (including noxious weeds),
- maintain and enhance the quality and quantity of timber potentially available on Crown lands by implementing the provincial silviculture strategy, and
- improve the quality and quantity of genetic material from natural sources used for reforestation in the province, through selective breeding and by implementing the provincial Tree Improvement Strategy. (The ministry does not use genetically modified organisms.)

3. All British Columbians Benefit from the Sustainable Use of Their Forests

In B.C., more than 90 per cent of the land base that is suitable for timber production is publicly owned. As owners of the provincial forest and range resource, all citizens have a right to benefit from any commercial use of their forests. In 2001/02, the forest and range sectors are expected to generate approximately $1 billion in direct revenue for the province (exluding taxes paid by these sectors). British Columbians also have the right to expect that commercial use will not compromise the ability of future generations to benefit from these same resources – in other words, to expect that the way in which we use our forests today is sustainable.

In working to achieve this goal, the ministry is guided by the view that all British Columbians:

- can benefit from net forest revenues and their availability to fund social programs and other government priorities,
- should have the opportunity to influence choices about forest land use, and
- should have the opportunity to use their forest lands to satisfy social and cultural needs and traditions.

Over the next three years, the ministry will pursue three key objectives to ensure that British Columbians receive real benefits from their forests.

3.1 Ensure that the public receives fair value for the use of its forest and range resources

The economic value derived from using the province's forests, over and above the costs of developing forest resources and of a fair return to the commercial interests involved, is the 'dividend' due to the people of B.C. as 'shareholders' of the forest resource. While there is always much debate between forest users and the provincial government about what constitutes fair value, the ministry will continue to take a systematic and equitable approach to the determination of prices for timber and range use. To meet this objective, it will implement strategies to:

- ensure that timber and range resources are being priced appropriately within the current pricing policy framework,
- evaluate market-based timber pricing for the Coast – whereby prices are set by auctioning a portion of Crown timber to generate appropriate revenues to the Crown while being more sensitive to product market conditions – and implement changes to the current comparative value pricing system if the market system proves to be more effective, and
- ensure that the full amount of revenue owed to the Crown is actually collected, by implementing check-scale and compliance and enforcement strategies that

fully identify all revenue owing, and by using effective strategies to maximize collections.

3.2 Involve British Columbians in resource management planning in a meaningful way

Governments everywhere are embracing public involvement in transparent public policy development processes as a key component of giving citizens a direct say in decisions that may affect their lives. In recent years, the public has shown an ongoing interest in wanting to be involved in debate and decisions about resource management in B.C. To respond to this, the ministry will:

- assess how effectively its current public involvement strategy for land use and operational planning identifies and addresses public concerns.

3.3 Provide the opportunity for people and communities, including First Nations, to use B.C.'s forests to satisfy their social and cultural needs

The province's forests have always offered social and cultural, as well as economic, benefits to British Columbians. These include the ability to pursue recreational opportunities and, for First Nations and aboriginal peoples, benefits from traditional uses of the forests. To continue to provide such opportunities, the ministry will:

- implement a recreation program strategy on provincial Crown lands outside of parks which maximizes recreation site availability and quality, given available funding. This will involve keeping open more than 1,000 forest service sites for British Columbians and visitors to enjoy. It will also mean providing enhanced services at 32 campgrounds, basic maintenance at approximately half the campgrounds, and minimal or no maintenance at the most remote, low-use campgrounds,
- manage scenic landscapes to ensure that the levels of visual quality desired by British Columbians are achieved in all scenic areas, in keeping with the concepts and principles of integrated resource management, and
- fully meet its obligations to consult First Nations about their cultural needs relating to public forests, and avoid unjustified infringement of aboriginal rights.

4. Be an Effective Sustainable Forest Manager

As it looks to the future, the Ministry of Forests faces some daunting challenges in maintaining its ability to be an effective manager of sustainable forestry. As we move to meet those challenges, we will bear in mind that:

- the core purpose for our organization is to deliver sustainable forest management for the people of B.C.,
- an effective organization is ethical and principled,

- to be effective, we need highly trained and knowledgeable staff, and
- we will be performance-focused.

To meet this goal, we will pursue the following four objectives through 2003/04:

4.1 Be a first-choice forest sector employer

The ministry faces a significant loss of accumulated expertise over the next 10 years because many employees will be retiring. The highly trained younger people that the ministry will need are increasingly less willing to locate and remain in remote areas of the province. To address these issues, and to ensure that people want to join the Forest Service, the ministry will implement:

- a new Human Resources Strategy that incorporates succession planning and equity and diversity initiatives to attract and retain highly qualified staff, and
- a broad staff training and leadership program to improve the ministry's ability to respond to the changing environment in which it operates.

4.2 Fully implement performance planning and budgeting in the ministry

The ministry continues to work on improving the links between corporate strategy and business area planning efforts, to enhance its overall effectiveness in achieving strategic objectives. Over the next three years, the ministry will:

- enhance the effectiveness of its strategic planning by fully integrating ministry strategic direction with the internal business planning and budget cycles. Doing so will allow the ministry to identify priorities and respond, in future, to either enhancements or increased pressure on its resources.

4.3 Ensure that ministry business practices meet the highest standards

One of the keys to being an effective organization and to maximizing efficiency in how the ministry uses its resources is to make sure that each of its business areas employs practices and processes that match the best models available. To meet this objective, the ministry will:

- improve business processes by expanding implementation of the Continuous Improvement Initiative across the ministry. In Operations Division, where the initiative has been underway for nearly three years, it has greatly improved turnaround times for permit approvals, and
- increase the effectiveness and efficiency of administrative functions by implementing best practices principles across the organization.

4.4 Maximize the benefits derived from the application of technology to ministry business

It is a truism in today's organizations that success depends on how well the information management and information technology functions are handled. To maximize the benefits derived from the application of technology, the ministry will:

- develop and implement a three-year Information Management and Technology Strategy to guide capital investment in technology and improve business processes.

BUSINESS-AREA PERFORMANCE FOR 2001/02

The ministry will achieve its goals, objectives and targets in 2001/02 under 14 business areas. These business areas incorporate all functions carried out by the ministry in achieving its mandate. The corporate performance measures and targets will indicate how successful the ministry is in achieving its goals and objectives. Given the uncertainty of the ministry's projected budgets for 2002/03 and 2003/04, targets have only been assigned for 2001/02. More detailed information on business-area resources and definitions of business areas and corporate performance measures are provided in Appendices A and B, respectively.

Goal 1: Healthy Forests

Business Area	Corporate Performance Measures	2001/02 Targets	2000/01 Estimates
1. Regulation of Forest and Range Practices • $54 million • 572 full-time equivalents (FTEs)	• Percentage of industry and government compliance with statutory obligations • Percentage of high-priority sites inspected • Number of completed effectiveness evaluations of the legislation	94% 80% 3	94% N/A 1
2. Land-Use Planning • $29 million • 314 FTEs	• Percentage of B.C. with a strategic land-use plan approved • Total number of landscape units with draft or final landscape-unit objectives for priority biodiversity	80% 300	71% 13
3. Timber and Range Supply, Planning and Determination • $16 million • 169 FTEs	• Number of allowable annual cuts (AACs) determined through the Timber Supply Review for timber supply licences (TSAs) and tree farm licences (TFLs) • Percentage of determinations achieved before their five-year deadline • Number of analyses of animal-unit months (AUMs) of forage completed • Percentage of active mapsheets completed within the last two years	25 83% 449 100%	6 30% N/A N/A

Goal 2: A Strong Forest Economy

Business Area	Corporate Performance Measures	2001/02 Targets	2000/01 Estimates
4. Market Access ▪ $5 million ▪ 30 FTEs	▪ B.C. share of the U.S. softwood lumber market ▪ B.C. share of Japanese softwood lumber imports	16% 49%	15.9% 48.7%
5. Protection of Forest and Range Resources from Fire and Pests ▪ $99 million ▪ 726 FTEs	▪ Percentage of Crown forest aerial-surveyed for insect infestations ▪ Percentage of high-priority bark beetle infestation sites treated ▪ Number of critical invasive alien plant infestation sites treated ▪ Total hectares (ha) of Crown land lost to unwanted wildfire annually (based on five-year average) (<=less than) ▪ Percentage of unwanted wildfire contained at < 4 ha	100% baseline to be established in 2001/02 3,960 < 45,000 89%	100% N/A 5,352 < 30,000 93%
6. Forest Road Infrastructure ▪ $23 million ▪ 146 FTEs	▪ Percentage of kilometres (kms) of Forest Service roads maintained by the ministry to Forest Practice Code standards ▪ Percentage of all Forest Service road bridges at full-load capacity	100% 85%	65% 91%
7. Forest and Range Productivity Improvements ▪ $32 million ▪ 249 FTEs	▪ Volume gain (m^3 of timber per year), from all ministry reforestation activities, expected to be available for harvest in approximately 65 years (excluding the Small Business Forest Enterprise Program [SBFEP]) ▪ Volume gain (m^3 of timber per year), from all tree improvement activities, expected to be available for harvest in approximately 65 years	360,000 1,301,000	450,000 1,187,000
8. Tenure Administration ▪ $31 million ▪ 354 FTEs	▪ Percentage of TSA AACs under a form of tenure (excluding SBFEP tenures) ▪ Percentage of available AUMs of forage allocated	90% 90%	90% 90%

9. Small Business Special Account ▪ $132 million ▪ 560 FTEs	▪ Revenue ($millions) generated from the SBFEP ▪ Total volume (millions m^3) sold under the SBFEP ▪ Total volume (millions m^3) harvested under the SBFEP ▪ Number (millions) of seedlings planted under the SBFEP	$266 9.020 9.200 35	$272 9.705 10.760 33

Goal 3: All British Columbians Benefit from the Sustainable Use of Their Forests

Business Area	Corporate Performance Measures	2001/02 Targets	2000/01 Estimates
10. Recreation and Non-Timber/Non-Range Benefits ▪ $8 million ▪ 84 FTEs	▪ Total number of Forest Service campgrounds managed ▪ Number of Forest Service campgrounds managed to basic level ▪ Number of Forest Service campgrounds managed to enhanced level	1,018 522 32	1,118 859 30
11. First Nations ▪ $10 million ▪ 100 FTEs	▪ Number of First Nations with which the ministry is involved in formal treaty negotiations or other cooperative processes	132	132
12. Revenue Collection ▪ $30 million ▪ 318 FTEs	▪ Revenue ($billions) ▪ Percentage of revenue written off ▪ Check scale performance (percentage) ▪ Volume (m^3 per month, to the nearest 100,000 m^3) of unbilled scale	$1.183 < 1% 85% 800,000	$1.259 < 1% 75% 1,000,000

Goal 4: Be an Effective Sustainable Forest Manager

Business Area	Corporate Performance Measures	2001/02 Targets	2000/01 Estimates
13. Human Resources ▪ $11 million ▪ 118 FTEs	▪ Percentage variance of ministry Short-Term Illness and Injury Plan time compared with the public service average (PSA)	25% < PSA	< PSA
	▪ Percentage of critical vacancies filled within six months	100%	N/A
	▪ Percentage difference of ministry representatives of the four designated groups (women [W], persons with a disability [PD], visible minorities [VM] and aboriginal persons [AP]) compared with similar private-sector employers	< or > 0%	W + 1.0% PD + 0.5% VM - 0.7% AP - 1.0%
	▪ Percentage of ministry staff with up-to-date performance plan and review documents	80%	N/A
14. Corporate Governance ▪ $34 million ▪ 333 FTEs	▪ Percentage of corporate performance measures achieved	100%	75%
	▪ Number of business process improvement projects implemented	12	8
	▪ Estimated number (millions) of ministry website visits per year by external visitors	2.2	1.6

LINKS WITH THE GOVERNMENT'S STRATEGIC PLAN

The ministry's strategic goals link directly with and support several of the 11 goals in the provincial government's *2001/02 - 2003/04 Strategic Plan.* Specific links are shown below.

Government Strategic Plan Goal	Relevant Ministry Goal Statement	Clarifying Remarks
▪ British Columbians will be healthy ▪ The quality of our health care will continue to improve ▪ B.C. will keep its financial house in order ▪ All British Columbians will have greater opportunities to get the education and training they need ▪ Learning environments and results in B.C.'s public schools will continue to improve		
▪ B.C.'s modern economy will work for everyone	▪ A strong forest economy	▪ Ministry strategies to help maintain a strong forest economy help ensure continuing employment and maintain rural income levels and quality of life across the province.
▪ Families will be better able to balance their work and home lives and make ends meet ▪ Women will achieve greater economic and social equity	▪ All British Columbians benefit from the sustainable use of their forests	▪ Ministry revenue collection will contribute an estimated $1 billion in 2001/02 to the Consolidated Revenue Fund for education, health care, and other government priorities.
▪ B.C.'s natural heritage will be safeguarded, and our quality of life will improve.	▪ Healthy forests	▪ Ministry strategies to ensure healthy forests for B.C. will help safeguard our natural heritage.

1. 2001/02 Financial Analysis

2000/01 and 2001/02 Revenues

	2000/01 Actual*	2001/02 Estimates	Variance
	$millions		
Revenues			
Gross Revenue	1,258	1,183	(75)
Less Forest Renewal BC Transfer	(187)	(140)	47
Consolidated Revenue Fund Revenue	**1,071**	**1,043**	**(28)**
Operating Expenditures			
Ministry Operations	312	299	1
Fire Suppression	99	76	(1)
SBFEP	147	132	–
Other Special Accounts	2	7	1
Total Ministry	**560**	**514**	**(46)**
NET REVENUE	**511**	**529**	**18**
Net as a Percentage of Consolidated Revenue Fund Revenue	**48%**	**51%**	

* All actual figures are unaudited.

2. Revenue and Expenditure Budget Analysis

Revenues

The Ministry of Forests is responsible for collecting all revenue related to the harvesting of Crown timber and to the use of the province's range resources for cattle grazing. The only exceptions are the logging tax and export fee rebates that are collected by the Ministry of Finance and Corporate Relations as part of its administration of corporate taxes. Ninety-six per cent of forest revenue comes from stumpage – the fees paid by forest companies and others for trees from the provincial forest. Other sources of revenue include timber export fees, range permits and fees, waste charges, and penalties.

Stumpage revenues are directly related to target stumpage rates, set by the province every three months, and to the volume of timber cut each year. Because stumpage rates vary according to a composite Statistics Canada index of lumber and chip prices, they are sensitive to the market prices for both lumber and the chips used for pulp production, as well as to Canadian dollar exchange rates. The ministry uses a revenue forecasting model that takes these and other factors into account in developing revenue forecasts each year. The key assumptions for the 2001/02 revenue estimates are shown in the table that follows.

2001/02 Revenue Assumptions

ITEM	2000/01 Actual	2001/02 Estimates
U.S. $ Exchange Rate	CAN$0.6651	CAN$0.6706
	(per mfbm*)	
Hemlock Baby Squares	US$576	US$600
Cargo 2x4	US$361	US$353
SPF 2x4	US$223	US$241
SPF 2x10	US$284	US$291
	(per tonne)	
NBSK Pulp	US$693	US$645
	(thousands m^3)	
Volumes (non-SBFEP)		
Coast	17.0	15.2
Interior	38.8	38.6
TOTAL	55.8	53.8
Volumes (SBFEP)		
Coast	1.8	1.8
Interior	8.2	7.4
TOTAL	10.0	9.2
TOTAL VOLUME		
Coast	18.8	17.0
Interior	47.0	46.0
TOTAL	**65.8**	**63.0**

* mfbm=thousand board feet

Overall, the ministry is forecasting a slight decline in revenues this year compared with last year. Continuing strong housing markets in the U.S. are expected, SPF prices are expected to increase by about 8 per cent, and the Canadian dollar is expected to appreciate slightly against its U.S. counterpart during the year. Pulp prices are forecast to continue to weaken in 2001/02, averaging $US645/tonne – down 7 per cent over 2000/01. The Japanese housing market is not projected to improve this year. These offsetting factors should together result in a small decrease in the volume being scaled this year.

Expenditure Budget

The 2001/02 operating budget of $514 million leaves the Ministry of Forests in essentially a status quo situation compared with 2000/01. Certain expenditure pressures have been recognized by Treasury Board, and funding has been maintained to achieve specific objectives.

For example, $10 million has been allocated for the control and management of bark beetles across the province. The funding is required to reduce and prevent further losses to the forest resource, protect other related values and maintain an aggressive management program. Bark beetle outbreaks are expanding in several areas of the province and having negative effects on protected areas and parks as well as on commercial forests. A portion of this funding will be used by the Ministry of Environment, Lands and Parks (Parks Division).

Funding for road maintenance and bridge replacement, however, has been reduced by $5 million for 2001/02. The ministry will be taking a strategic approach in choosing which worn out bridge structures will be replaced on forest service roads, and which roads will be kept open and maintained.

Summary of Anticipated 2000/01 Capital Appropriations

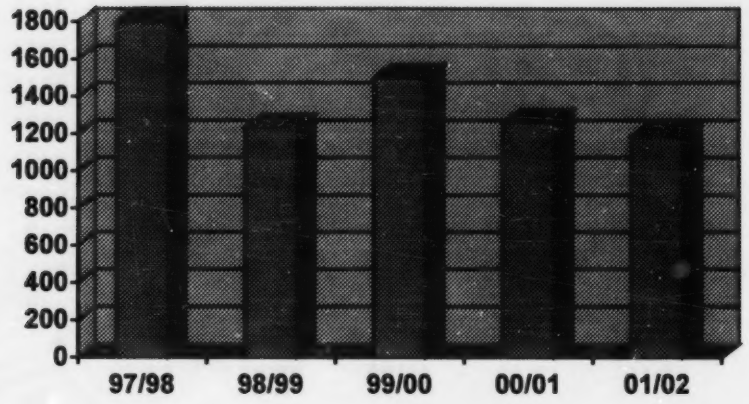
Each year, the ministry receives a capital appropriation to cover acquisition costs associated with systems hardware and software, land, buildings, tenant improvements, non-lease vehicles, heavy and operating equipment, and office furniture and equipment. The total capital appropriation for 2001/02 is $20.5 million.

3. Three-Year Funding Scenario

At the time of publication of this performance plan, Treasury Board had informed ministries that they should expect no more than status quo budgets in each of the next two fiscal years. The strategies in this performance plan anticipate and will contribute to the ministry managing its current businesses with a reduction in resources in real terms. The ministry will continue to evaluate what mix – of improved cost-effectiveness in delivery, reduced goal achievement or service levels, and staff management strategies – will meet these resource-level challenges while maximizing overall effectiveness.

4. Five-Year Trends

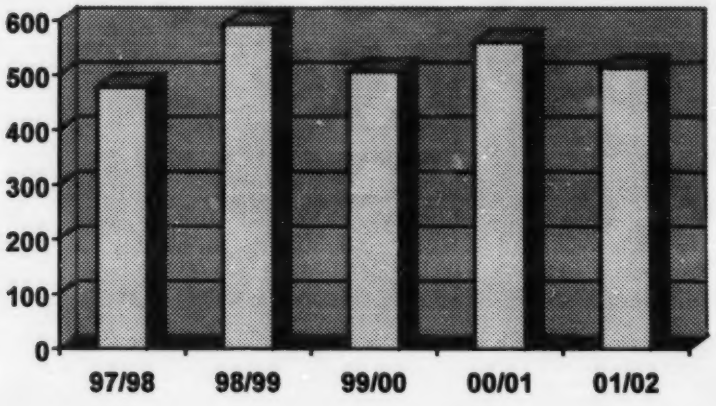
Provincial Forest Revenues 1997/98 to 2001/02
($millions)



1997/98	$1.80 billion
1998/99	$1.23 billion
1999/00	$1.50 billion
2000/01	$1.26 billion
2001/02	$1.18 billion

Note: Includes stumpage and other direct forest-related revenue collected by the ministry, but excludes taxes paid to government by the forest sector.

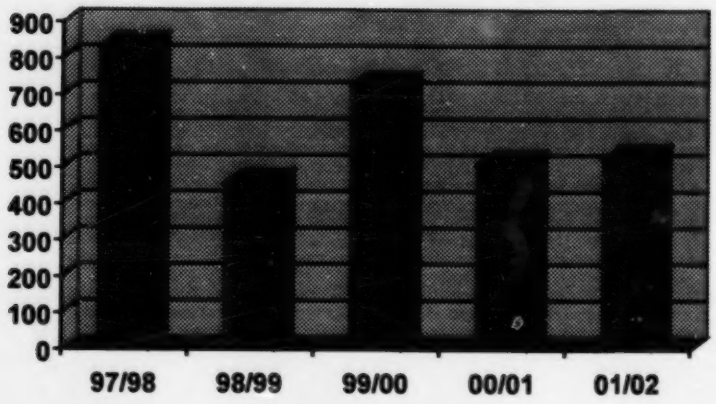
Ministry of Forests Expenditures 1997/98 to 2001/02
($millions)



1997/98	$478.1 million
1998/99	$592.5 million
1999/00	$506.6 million
2000/01	$560.1 million
2001/02	$513.0 million

Net Revenue Available for Other Government Priorities 1997/98 to 2001/02
($millions)

1997/98 $835.9 million



1998/99 $458.5 million
1999/00 $728.0 million
2000/01 $511.0 million
2001/02 $529.0 million

Note: Net revenue includes stumpage and other direct forest-related revenue, less transfers to Forest Renewal BC and less ministry expenditures.

APPENDIX A
2001/02 Ministry Budget by Business Area

	Operating	Salary	Corporate	Total	FTEs
	$ millions				
Goal and Business Area					
Goal 1					
1. Regulation of Forest and Range Practices	4.01	35.06	14.63	53.69	572
2. Land-Use Planning	3.53	18.55	6.85	28.93	314
3. Timber and Range Supply, Planning and Determination	1.44	10.91	3.9	16.26	169
Total Goal 1	**8.98**	**64.52**	**25.38**	**98.88**	**1,055**
Goal 2					
4. Market Access	2.11	2.32	0.87	5.30	30
5. Protection of Forest and Range Resources from Fire and Pests	50.27	42.97	6.57	99.81	726
6. Forest Road Infrastructure	10.54	8.71	3.38	22.63	146
7. Forest and Range Productivity Improvements	11.39	14.14	6.98	32.52	249
8. Tenure Administration	1.75	20.86	8.02	30.62	354
9. Small Business Special Account	98.61	31.30	1.77	131.68	560
Total Goal 2	**174.67**	**120.30**	**27.59**	**322.56**	**2,065**
Goal 3					
10. Recreation and Non-Timber/Non-Range Benefits	1.41	4.85	1.93	8.19	83
11. First Nations	1.35	6.35	2.12	9.82	100
12. Revenue	2.17	18.78	8.55	29.49	318
Total Goal 3	**4.93**	**29.98**	**12.60**	**47.51**	**501**
Goal 4					
13. Human Resources	0.80	7.19	2.49	10.48	118
14. Corporate Governance	7.53	19.47	7.07	34.07	333
Total Goal 4	**8.33**	**26.66**	**9.56**	**44.55**	**451**
TOTAL[1]	**196.91**	**241.46**	**75.13**	**513.50**	**4,072**

[1] Equal to region/branch votes (Ministry of Forests and Protection) plus Special Accounts (SBFEP account, Forest Stand Management Fund, and South Moresby Forest Replacement Account) budget allocation.

Salary costs include expenditures for base salaries and employee benefits.
Operating costs include expenditures for field goals, contracts, supplies and grants.
Corporate costs include expenditures for the corporate pools (e.g., amortization, facilities, vehicles, staff mitigation, and legal services).

APPENDIX B
Business Area and Performance Measure Descriptions

Business Area Description	Performance Measure	Performance Measure Description
1. Regulation of Forest and Range Practices Regulation of forest and range practices to achieve sustainable use includes research, policy analysis, legislation development, preparation and/or approval of operational plans, and compliance and enforcement activities.	Percentage of industry and government compliance with statutory obligations	Industry (major and small business licensees) and government compliance with the *Forest Practices Code of British Columbia Act* and regulations is an overall measure of stewardship performance in B.C.'s forest sector.
	Percentage of high-priority sites inspected	Inspections, or site visits of forest practices, are targeted to high-priority sites where environmental, social and/or economic values have been identified as being at high risk.
	Number of completed effectiveness evaluations of the legislation	Specific aspects of legislation and/or regulation are evaluated for effectiveness each year.
2. Land-Use Planning Establishment of objectives to address environmental, social and economic priorities is done through preparation and monitoring of strategic, landscape and local land-use plans. These are then used to guide operational plans.	Percentage of B.C. with a strategic land-use plan approved	Strategic land-use plans include Land and Resource Management Plans (LRMPs) and Regional Land-Use Plans. The Land-Use Coordination Office leads the strategic planning process, supported by the Ministry of Forests.
	Total number of landscape units with draft or final objectives for priority biodiversity (cumulative)	Biodiversity objectives for the province are established within the context of landscape-unit plans jointly approved by the Ministries of Forests and Environment, Lands and Parks. To be counted as draft, objectives must have preliminary approval from decision-makers at both ministries.
3. Timber and Range Supply, Planning and Determination Establishment of sustainable levels of timber supply is done through the Timber Supply Review. This process involves data preparation, analysis, and public discussion prior to the chief forester's determination. Analyses of the quality and quantity of range available determines range-use levels. Up-to-date inventories and research knowledge are important to both analyses.	Number of AACs determined through the Timber Supply Review for TSAs and TFLs	The AAC for each TSA and TFL is reviewed and determined by the chief forester every five years (from each unit's last determination date).
	Percentage of determinations achieved before their five-year deadline	This is a measure of the ministry's rate of success at achieving statutory deadlines for AAC determinations.
	Number of analyses of AUMs of forage completed	The level of possible range use is measured in AUMs. Ministry district managers are responsible for AUM analyses.
	Percentage of active mapsheets completed within the last two years	To keep the ministry's inventory current, 50 per cent of active mapsheets need to be updated each year. Active maps include areas where forestry activities have occurred within the past two-year period.

Business Area Description	Performance Measure	Performance Measure Description
4. Market Access Removal of trade barriers for B.C. softwood lumber and support for marketing of B.C. forest products involves working with federal and provincial governments and industry to: build and maintain international relations, identify research needs and policy concerns, provide information about B.C.'s sustainable forest practices, and assist companies seeking certification on Crown land.	B.C. share of the U.S. softwood lumber market	The U.S. is B.C.'s largest customer for softwood lumber. As an indicator for this business area, B.C.'s share of the U.S. softwood lumber market is determined from U.S. lumber consumption and B.C. lumber exports.
	B.C. share of Japanese softwood lumber imports	Japan is B.C.'s second-largest customer for softwood lumber products. The Japan Wood Products Information and Research Centre tracks and publishes information on import volumes annually. B.C. uses these figures as indicators of our market access to Japan.
5. Protection of Forest and Range Resources from Fire and Pests Protection of natural resources and investments in and adjacent to the forest and wilderness of B.C. includes preventing, preparing for and responding to wildfire, insects, disease, and invasive plant species. It also includes maintaining the infrastructure, research and inventories to support these activities.	Percentage of Crown forest aerial-surveyed for insect infestations	Annual aerial surveys are used to detect insect outbreaks and define the spread of insect populations, and to plan treatments as well as more detailed surveys.
	Percentage of high-priority bark beetle infestation sites treated	High-priority sites present an opportunity to contain the spread of the beetles by treating through felling and burning, setting up pheromone trap trees, or other methods.
	Number of critical invasive alien plant infestation sites treated	Invasive alien plant species, including noxious weeds defined in the provincial *Weed Control Act*, are treated to reduce loss of range forage for cattle and wildlife, and the loss of natural biodiversity. Treatments include spraying, biocontrol agents, or using mechanical/manual control methods.
	Total hectares of Crown forest lost to unwanted wildfire annually	Unwanted wildfire is unplanned or accidental, with the potential to cause damage to or loss of timber, range or public resources. The ministry's fire control activities aim to keep losses at less than 30,000 hectares each year, based on a five-year average.
	Percentage of unwanted wildfire contained at < 4 hectares	This is a measure of the ministry's success rate of initial attack on wildfire. Population cycles of bark beetles (including mountain pine beetle, spruce beetle, and other species) are not easily predicted beyond about two years.

Business Area Description	Performance Measure	Performance Measure Description
6. Forest Road Infrastructure Providing an effective and safe forest road infrastructure within and to provincial forests is critical for access to timber, range, recreation and other resource values, and to minimizing the effects on the environment. This work includes engineering, access planning, road and bridge construction, maintenance and deactivation, as well as mitigating road-related effects on the environment.	Percentage of kms of Forest Service roads maintained by the ministry to Forest Practices Code standards	The district manager is obligated by the Forest Practices Code to maintain active Forest Service roads. Permitted roads, SBFEP roads and bridges, and closed roads are excluded. Maintenance may include inspection, surface and emergency road repair, culvert repair, road grading, and signing.
	Percentage of all Forest Service road bridges at full-load capacity	Bridges and major culverts on Forest Services roads are included, regardless of funding source. Bridges at full-load capacity are open to industrial traffic as designed.
7. Forest and Range Productivity Improvements Increasing timber and forage productivity is accomplished through silviculture, tree improvement, gene conservation, and range-land treatments. Rehabilitating, reclaiming and restoring forest stand structure and forest and range-land habitat and health is accomplished through selected treatments. This work includes conserving the genetic diversity of forest stands.	Volume gain (m^3 of timber per year), from all ministry reforestation activities, expected to be available for harvest in approximately 65 years.	Only reforestation activities on Crown land which are funded directly by the ministry are included; activities funded by industry, the SBFEP and Forest Renewal BC are excluded. Reforestation activities include site preparation, planting, replanting, brushing, and surveying as needed, for an area to be declared reforested and free-growing.
	Volume gain (m^3 of timber per year), from all tree improvement activities, expected to be available for harvest in approximately 65 years.	Tree-improvement activities on Crown land are collaborative, including those by industry and those funded jointly by the Ministry of Forests and Forest Renewal BC. Volume gain is based on the percentage of select seed use and the percentage of genetic worth.
8. Tenure Administration Forest and range use opportunities are allocated, managed and monitored through tenure agreements. Activities include advertising, issuing and replacing tenures, approving management plans, issuing authorities and permits, and overseeing compliance with and enforcement of commitments and obligations in tenure agreements.	Percentage of TSA AACs under a form of tenure (excluding SBFEP tenures)	This is a measure of the effectiveness of the ministry's apportionment of the AAC within a TSA to various programs, and its issuance of tenures under these programs. Tenures will be issued under programs such as Forest Licence, Woodlot Licence, and Community Forest Agreements. Tenures under the SBFEP are not included..

Business Area Description	Performance Measure	Performance Measure Description
	Percentage of available AUMs of forage allocated	This is a measure of the effectiveness of the ministry's administration of range available for grazing or hay-cutting.
9. Small Business Special Account The Small Business Forest Enterprise Program (SBFEP) supports a strong and diverse forest sector in B.C. by providing a variety of competitive harvesting opportunities on Crown land to a broad range of firms. The program requires sustainable forest management practices under the Forest Practices Code, and is pursing certification.	Revenue ($millions) generated by the SBFEP	Gross revenue is measured. Revenue generated pays for SBFEP program delivery, including sales development, roads, and silviculture requirements. Revenues in excess of costs are contributed to the province's Consolidated Revenue Fund.
	Total volume (millions m^3) sold by the SBFEP	This is a measure of the volume sold competitively to independent forest enterprises through the SBFEP.
	Total volume (millions m^3) harvested by the SBFEP	This is an indicator of economic activity in B.C. communities.
	Number (millions) of seedlings planted under the SBFEP	The SBFEP must reforest all areas harvested, according to the Forest Practices Code standards, to maintain sustainable forests.
10. Recreation and Non-Timber/Non-Range Benefits This business area includes management of recreation and non-timber forest product resources (including botanical forest products), and providing recreation and non-timber forest product resources opportunities on provincial forest lands.	Total number of Forest Service campgrounds managed	This excludes campgrounds that have been closed for safety or due to limited use.
	Number of Forest Service campgrounds managed to basic level	A basic level of maintenance ensures that campgrounds are kept in a safe and sanitary condition.
	Number of Forest Service campgrounds managed to enhanced level	Selected campgrounds (i.e., with high use rates or which are close to urban centres) require daily service and on-site supervision.

Business Area Description	Performance Measure	Performance Measure Description
11. First Nations Crown forests are managed in consideration of the Crown's obligations with respect to aboriginal rights. This includes consultation and interaction with First Nations to reconcile land interests. The ministry supports the British Columbia Treaty Commission process by providing analysis and advice on land stewardship. The ministry also supports the economic development interests of First Nations in the forest industry are by providing interim measures and other agreements.	Number of First Nations with which the ministry is involved in formal treaty negotiations or other cooperative processes	This measure includes bands, tribal councils and treaty groups involved in formal treaty negotiations, interim measures, protocol agreements, or regular consultation.
12. Revenue Collection Collection of revenue from licence holders includes timber pricing, scaling, billing, and revenue control, as well as inventory activities to support pricing and information management systems.	Revenue ($billions)	The total amount of money charged by the ministry during the fiscal year.
	Percentage of revenue written off	The amount of money owed to the ministry which was written off because it was uncollectible.
	Check scale performance (percentage)	The ministry's performance against its check scaling standard.
	Volume (m^3 per month, to the nearest 100,000 m^3) of unbilled scale	The average monthly volume of timber that should have been invoiced, but was not, due to delays.
13. Human Resources A diverse, stable and productive workforce is supported by recruitment and staffing activities, compensation and salary administration, employee relations, staff safety, occupational health and accident prevention, wellness and training programs, and equity and diversity initiatives.	Percentage variance of ministry Short-Term Illness and Injury Plan time compared with the public service average (PSA)	This is a comparative measure between the ministry's loss of staff time, from illness or injury, to that of the entire public service.
	Percentage of critical vacancies filled within x months	A measure of staff turn-over in key positions, potentially affecting other performance measures.
	Percentage of difference of ministry representation of the four designated groups compared with similar private-sector employers	The four groups designated by the provincial government are women, persons with a disability, visible minorities, and aboriginal persons. Similar private-sector employers include the forest industry in B.C.
	Percentage of ministry staff with up-to-date performance plan and review documents	Performance plan and review documents are used to establish and track employee work performance and training plans.

Business Area Description	Performance Measure	Performance Measure Description
14. Corporate Governance Becoming a more effective organization includes following a long-term strategy, using best practices, and improving corporate governance processes. These include executive support and direction, the financial management framework, corporate policy development, information management, and a communications strategy.	Percentage of corporate performance targets achieved	This is a summary measure of the ministry's overall performance.
	Number of business process improvement projects implemented	Under the Continuous Improvement Initiative, the ministry is implementing best practices and improving business processes.
	Estimated number (millions) of ministry website visits per year by external visitors	Improving the effectiveness of the ministry's communications and website design is expected to increase the number of external website visits per year.

APPENDIX C
Ministry of Forests Legislation

The *Ministry of Forests Act* provides the ministry with a broad and general mandate to:

a) encourage maximum resource productivity,
b) manage resources responsibly to achieve the greatest short- and long-term social benefits,
c) practise planned, integrated resource management and use,
d) encourage a globally competitive forest industry, and
e) assert the financial interest of the Crown.

Three other statutes provide a more specific legislative framework, within which the ministry operates: the *Forest Act*, the *Range Act*, and the *Forest Practices Code of British Columbia Act*.

The *Forest Act* requires the ministry to:

- develop and maintain an inventory of the land and forests,
- assess the land for growing trees continuously, for providing recreation, for producing forage for domestic and wild animals, for conserving wilderness, and for accommodating other forest uses,
- classify land as forest land if he or she considers that in so doing that classification will provide the greatest contribution to the social and economic welfare of British Columbians, and
- determine an allowable annual cut at least once every five years for Crown land in each timber supply area and for each tree farm licence area.

The *Forest Act* also mandates the ministry to enter into and administer agreements and licences that allocate the use of forest resources providing revenue to the Crown.

The *Range Act* authorizes the ministry to:

- manage range resources, and
- allocate and administer the use of range resources by the livestock industry through grazing and hay-cutting agreements providing revenue to the Crown.

The *Forest Practices Code of British Columbia Act* mandates the ministers of Forests; Environment, Lands and Parks; and Energy and Mines to:

- establish objectives for resource management zones.

The Forest Practices Code mandates the ministry to:

- establish stewardship standards for operational plans and for forest and range practices,.
- ensure that the legislated requirements for sustainable forest practices are followed,
- meet the requirements for higher-level plan objectives established through strategic planning, and
- ensure compliance and enforcement of forest and range practices in a fair and equitable manner to ministry stewardship standards.

The combination of these four statutes provides a complex and challenging role for the ministry. That role often involves balancing the competing interests of users of the forest land-base and the views of others regarding the need for conservation of resource values. This need for balance requires the ministry to consider both long- and short-term policy implications, consider both cultural and environmental concerns, and balance local, regional and provincial interests.

APPENDIX D
Ministry Organization

The Ministry of Forests, which is also known as the B.C. Forest Service, is structured to:

- effectively manage organizational resources,
- decentralize decision-making to ensure efficient and highly responsive service to ministry clients,
- emphasize integrated resource management and forest product development and marketing,
- establish clear line-staff relationships,
- ensure the accountability of managers, and
- achieve excellence through a commitment to employees.

ORGANIZATION AND FUNCTION

Divisions

The ministry has four divisions:

- Operations
- Forestry
- Policy and Economics
- Management Services

Each division is headed by an assistant deputy minister, who reports to the deputy minister. These four officials, together with the deputy minister as chair, make up the ministry's core executive.

Branches are organized within divisions, with the exception of Communications Branch, which reports directly to the deputy minister.

Operations Division

This division is the operational arm of the Forest Service. It implements the policies and programs developed by the branches. The only division with direct regional and district responsibilities, Operations Division includes the six regional offices, 40 district offices, and the following six branches:

- Protection
- Business Improvement
- Compliance and Enforcement
- Resource Tenures and Engineering

- Aboriginal Affairs
- Forest Enterprise

Forestry Division

The Forestry Division ensures that all Crown forest lands are managed to provide the greatest long-term benefits for British Columbians.

The assistant deputy minister, who is also the province's chief forester, determines the allowable annual cuts for timber supply areas and tree farm licences.

This division has six branches:

- Forest Practices
- Timber Supply
- Tree Improvement
- Resources Inventory
- Research
- Forestry Division Services

Policy and Economics Division

The Policy and Economics Division ensures a consistent framework for provincial forest policy. It has specific responsibility for trade policy and legislation.

The division has two branches:

- Corporate Policy and Planning
- Economics and Trade

Management Services Division

Management Services provides professional corporate staff advice and administrative services.

Four directors report to the assistant deputy minister, who is also the ministry's executive financial officer.

The three branches and one group are:

- Financial Management
- Revenue
- Human Resources
- Information Management Group

Regions

For administrative purposes, the ministry has divided the province into six forest regions, each with a regional manager. The forest regions are subdivided into forest districts. All forest regions and districts come under the authority of the Operations Division.

The regional offices are the general administrative centres for each forest region and the districts within them. With district input, regional managers and their staff develop priorities, programs and procedures for the region, based on provincial and ministry policies. They supply professional and technical expertise to help the districts implement programs and deliver goods and services consistently and effectively to the forest industry and the public.

The regions also relay feedback from the districts to the appropriate branches at ministry headquarters.

The regional offices, in partnership with the headquarters branches, audit and monitor the districts' performance and are responsible for regional field operations. This includes forest revenue inspection teams that enforce regulations to prevent the loss of timber and revenue. Regional offices also provide compliance and enforcement support under the Forest Practices Code.

Under the Forest Sciences Program, regional staff conduct operational research to ensure optimal management of the regions' forest and range resources. Regional offices also take a lead role in all interagency and planning processes conducted at the regional level.

Districts

The ministry has divided the province into 40 forest districts, each administered from its own office by a district manager. Some districts also administer field offices.

District offices put ministry policies into practise by carrying out regional priorities and ensuring compliance with legislative requirements such as the Forest Practices Code.

District managers and staff implement and administer the Forest Practices Code and forest and range legislation at the field level. They also monitor field activities to ensure compliance with licences, permits, contracts, and the Forest Practices Code.